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TAGS: [PREL](#) [PGOV](#) [GM](#)

SUBJECT: GERMAN GOVERNMENT TO WEIGH IN AGAINST HOLOCAUST
INSURANCE LEGISLATION

Classified By: Acting Political Counselor Jeffrey Rathke for reasons 1.
4 (b,d).

¶1. (C) German Ministry of Foreign Affairs Legal Director George Witschel told Special Envoy for Holocaust Issues, J. Christian Kennedy October 18 that the German Government is "quite concerned" about the Holocaust Insurance Bill (HR 1746) scheduled for mark-up on October 23 as it would upset the "legal peace" that was established by the Agreement Concerning Holocaust Era Insurance Claims. The Agreement allowed the International Committee on Holocaust Era Insurance Claims (ICHEIC) to provide humanitarian compensation to Holocaust victims and their heirs who owned previously uncompensated Holocaust-era insurance claims. Such legislation, he added, would call into question whether such claims agreements or the U.S. government's commitment to such agreements could be trusted.

¶2. (C) Witschel told Ambassador Kennedy that even if the mark-up does not take place as scheduled, "it is time for the German government to act." German Ambassador to the U.S. Klaus Sharioth has been instructed to weigh in with key members of Congress, including Representatives Tom Lantos and Barney Frank, Witschel said. He added that Chancellor Merkel or her staff might be raising the issue later that day (October 18) with visiting Deputy Treasury Secretary Kimmit. (Note: This issue was also raised by the Chancellor's Senior Economic Advisor, Jens Weidmann, in a meeting with Deputy Secretary Kimmit on October 17. Report to follow septel.)

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In addition, Witschel said that Minister of Finance Peer Steinbrueck may raise the issue with Treasury Secretary Paulson and Foreign Minister Steinmeier may raise it with Secretary Rice. He said that members of the Bundestag

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foreign affairs committee may also raise the issue with their contacts in the U.S. Congress.

¶3. (C) Ambassador Kennedy noted that the U.S. Administration opposes the bill and that senior U.S. officials have made this position known to Congress. He noted that the Congressional Financial Services Committee is aware of the bill and, at the staff level, agreed it is not a good one. Ambassador Kennedy shared with Witschel other outreach efforts.

¶4. (C) On another issue, Ambassador Kennedy mentioned the proposal to have another conference on Holocaust-Era assets as was held in Washington in 1998. He noted that U/S Burns would be writing to his German counterpart, Volker Stanzel, about this issue. Ambassador Kennedy said that it would be appropriate if the next conference were to take place in Europe, rather than in Washington, and that a June or July 2008 date is being considered. Witschel noted Germany is considering hosting. Kennedy added that the French

government is enthusiastic about perhaps holding it in Paris.

The Washington Conference was a milestone, Witschel highlighted, and agreed with Ambassador Kennedy that the conference should have a focus on the recovering of artwork. Witschel did not offer further comment when Ambassador Kennedy mentioned other themes, like a stock-taking on compensation. (Comment: The Germans have expressed concern that talking about any subject other than art could open the door to criticism of German compensation programs.)

TIMKEN JR